Inflationary increase in Primary Articles

3786. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are awaro of a sharp inflationary increase of 9.3 per cent mainly in the primary articles as on 12th February, 1994 as compared to 4.2 per cent in the corresponding period last year;

(b) whether RBI has expressed concern over unstable prices and issued a warning that the annualised inflation rate during this year may well be at thereshold of the two digit level, as reported in the Financial Express dated the 23rd March, 1994 ; and

(c) if so, what steps Government have taken so far to check/control prices of consumer items from going up by 20 per cent and what are the prospects for the growth in gross domestic products (GDP), indicating growth of manufacturing sector during 1994-95 in percentage, as compared to 1993-94 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) Yes. Sir.

(c) Prices of consumer goods except for a limited number of administered items are determinded largely by the market forces of supply and demand as also the prices of various inputs that are used in production of consumer goods. However, for moderating the price rise, the Government's intervention has been primarily in augmenting supplies of essential commodities. Increasing allocation through PDS, open market sales of wheat and rice by the FCI, import of essential commodities and higher monthly releases of non-levy sugar are some of the steps taken to stabilise the prices.

The estimates of Gross Domestic Product (GDP) for 1994-95 have not been made by the Central Statistical Organisation so far, and therefore, it is difficult to predict the prospects for the growth in GDP or indicate growth of manufacturing sector during 1994-95 in percentage as compared to 1993-94.

Detection of Benami holding of shares by Income Tax Department

3787. SHRI SOM PAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Income Tax Department has detected huge incidence of benami holding of shares by individuals and firms ;

(b) if so, what are the names of such firms, individuals and companies; and

(c) what action has been taken against them, and what is being done to prevent such occurrence in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) The Income Tax Department had undertaken protracted investigation starting from July, 1992 in the matter of benami shares of Harshad Mehta Group. They have detected about 38.37 lakh shares in 39 compaines held by about 84 benami companies and 520 benami individuals. The Income Tax Department has reason to believe that these shares, cumulatively valued at about Rs. 303 crores, actually belong to Harshad Mehta Group. A list of these shares is annexed as statement. *(See* below).

(c) The Income Tax Department had filed of Misc. Application No. 53 of 1994 on 31-1-1994 before the Special Court (Trial of Offences Relating to Transactions Under Securities) Act, 1992 at Mumbai bringing all these facts to the notice of the Hon'ble Court. In this application it was paid, inter alia, that the Hon'ble Court may declare these shares as belonging to the Group and also declare them attached and vested in the Custodian. In response to this application. Shri Harshad Mehta has filed an affidavit on 25-2-1994 virtually admitting benami share holdings of about Rs. 195 crores. The Court has ordered the custodian to take possession of the shares admitted by Shri Harshad Mehta. The Hon'ble Special Court is seized of all aspects of the matter.

Statement

Details of Benami Shares of HSM Group
Valued as on 22-2-94

Sr. No.	Scrip	No. of Shares	Rate Rs.	Value Rs.
1.	ACC	5,15,429	3,670	1,89,16,24,430
2.	I. T. C. Agrotech	2,22,200	350	7,77,70,000
3.	J. P. Industries	2,19,125	100	2,19,12,500
4.	Excel Industries	9,972	905	90,24,660
5.	Saw Pipes	1,87,900	560	10,52,24,000
6.	RIL	6,80,740	398	27,09,34,520
7.	Tata Tea	1,35,355	820	11,09,91,100
8.	Mazda Industries	2,45,921	171	4,20,52,491
9.	Apollo Tyres	1,60,150	205	3,28,30,750
10.	Indo Gulf Fertilizers	72,100	125	90,12,500
11.	Indian Rayon	8,635	632.50	54,61,637
12.	ITC Classic Finance	6,400	325	20,80,000
13.	Bombay Dyeing	52,706	410	2,16,09,460
14.	Century Textiles	964	10,100	97,36,400
15.	Orkay Industries	37,475	36.50	13,67,837
16.	Castrol	2,500	1,100	27,50,000
17.	United Phosphores	30,370	1,260	3,82,66,200
18.	Sesa Goa	1,70,450	650	11,07,92,500
19.	Essem Catalyst *	1,29,700	30	38,91,000
20.	Mahindra & Mahindra	2,500	310	7,75,000
21.	Colgate	1,850	537.50	9,94,375
22.	Oswal Fats	17,970	115	20,66,550
23.	Vikrant Tyres	7,600	30	2,28,000
24.	Arvind Mills	1,150	260	2,99,000
25.	I.T.C.	68,600	745	5,11,07,000
26.	Gujarat Fertilizers	3,435	275	9,44,625
27.	Gujarat Narmada	2,08,750	92.50	1,93,09,375
28.	NOCIL	1,166	845	9,85,270
29.	Mazda Enterprises (Packaging)	1,06,400	90	95,76,000
30.	Zuari Agro.	4,000	400	16,00,000
31.	VIP Industries	3,11,000	COST	3,58,30,000
32.	Bajaj Auto Ltd.	5,250	1,140	59,85,000
33.	J. K. Industries	40,050	180	72,09,000
34.	Glaxo India	38,550	462.50	1,78,29,375
35.	Madras Cement	6,230	9,000	5,60,70,000
36.	ITC Bhadrachalam	2,000	410	8,20,000
37.	Svadeshi Mills	2,480	65	1,61,200
38.	Gujarat Ambuja	43,126	530	2,28,56,780
39.	Birla Jute	69,885	280	1,95,67,800
	TOTAL :	38,37,934		3,03,06,00,086

Private Sector participation in Banking and Insurance industries

3788. SHRI SANJAY DALMIA : Will the Minister of FINANCE be pleased to state the norms prescribed by Government for private sector participation in banking and insurance industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : Reserve Bank of India have laid down guidelines for entry of the private sector into banking industry, which provide inter-alia that minimum paid-up capital for a new bank should be Rs. 100 crores. A copy